

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE OF PAGES		
2. AMENDMENT/MODIFICATION NO.			3. EFFECTIVE DATE		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY			CODE		7. ADMINISTERED BY (If other than Item 6)		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)				(X)		9A. AMENDMENT OF SOLICITATION NO.		
						9B. DATED (SEE ITEM 11)		
						10A. MODIFICATION OF CONTRACT/ORDER NO.		
						10B. DATED (SEE ITEM 11)		
CODE			FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS								
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.								
12. ACCOUNTING AND APPROPRIATION DATA (If required)								
13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.								
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).							
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
	D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.								
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)								
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)				
15B. CONTRACTOR/OFFEROR				15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		
15C. DATE SIGNED				16B. UNITED STATES OF AMERICA		16C. DATE SIGNED		
(Signature of person authorized to sign)				(Signature of Contracting Officer)				

Amended provisions under subject RFP are provided as follows:

1. A pre-proposal conference was held on December 3, 2003. The pre-proposal briefing, a list of attendees, and a record of Questions & Answers from subject meeting are posted to the RMI website at:

<http://www.dscp.dla.mil/gi/smsrmi/Preproposal.htm>.

Additional questions and answers are available on the RMI website (on the RMI Home page, click on the link at the bottom "Industry Questions to DSCP").

2. FSC's 5995 and 6150 are deleted in their entirety from the list of FSC's being solicited in Phase 1.
3. The Provision for Annual Escalation (DRI Index) as contained on pages 21 and 22 of the RFP is hereby deleted in its entirety. It is replaced by the clause shown at Attachment A: ECONOMIC PRICE ADJUSTMENT (EPA) - DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS - CONSUMER PRICE INDEX - DSCP.

4. The paragraph referring to an escalation rate in accordance with Standard & Poor's DRI Index (Item 7, Pg. 6 of RFP) is deleted in its entirety. It is replaced with the following:

Contractor's are requested to provide pricing for the five(5)-year base period of the contract. Your offer will be evaluated based on the cumulative cost of the five-year base period. If the government determines to exercise the options, an Economical Price Adjustment (EPA) based on the Consumer Price Index (CPI) will apply for the option years. Over the previous five years, the CPI has increased from 1.58% to 3.40% each year, for a cumulative 5-year total of 13.5% from 1998-2003 . Historical and current CPI figures can be found at: <http://www.bls.gov/cpi/home.htm> See Clause ECONOMIC PRICE ADJUSTMENT (EPA) - DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS - CONSUMER PRICE INDEX DSCP for additional information.

5. The file titled FLIS data has been removed from the website. Only the files on the RMI website (Market Baskets, PID Data, and Drawings) should be used to prepare your offer.
6. Market Baskets have been revised to reflect changes to government requirements. Please note the following:
 - a. The following NSN's have been deleted from the market baskets:

CLIN	NSN
0007	1080-01-325-5000
0032	2090-00-368-4787
0035	2090-00-369-4572
0043	2540-00-286-7024
0067	4330-01-236-2210

- b. The Minimum Ordering Quantity and Offer Quantity has been revised for many of the items in the Columbus baskets (basket names "C1.xxxxx"). In addition, the Pricing Spreadsheet has been updated to allow for pricing for each of the years in the base period. Please use the latest version of the Pricing Spreadsheet (dated 12/24/03) to prepare your offer.
- c. The drawings files have been updated for the following NSN's. Please ensure that you download the updated files:

CLIN	NSN	Drawing(s)
0060	4330-01-145-4477	13222E9999 13222E9903
0064	4330-01-218-5891	19207 5704881 19207 12355085
0068	4330-01-277-7488	52088 2825846

- d. Missing QCC/PIC data was noted for NSN 1080-01-051-1432. The file has been corrected and posted to the website with the updated data.
7. In order to reflect the changes cited in item 4 above, all of the spreadsheets have been updated. Please download and use the latest version of the spreadsheet (dated Dec. 24, 2003) in preparation of your offer.
8. Small business size standards: The following chart provides the small business size standards for the items being solicited:

FSC	Description	NAICS	Size Standard
1080 8105	Bags, textile	314999	500 Employees
1710 1740	Aircraft Arrest, Barrier and Barricade Equipment Airfield Specialized Trucks and Trails	333298	500 Employees
2090	Ship furniture manufacturing	337127	500 Employees
2540	Vehicle Furniture and Access	314999	500 Employees
3439	Misc Welding, Soldering and Brazing Supplies and Accessories	325998	500 Employees
3455	Cutting Tools for Machinery Tools	333515	500 Employees
4120	Air Conditioning Equipment	333415	750 Employees
4130	Filters, air-conditioner, manufacturing	333411	500 Employees
4140	Fans, Air Circulators and Blower Equipment	333412	500 Employees
4330	Filters, industrial and general line (except internal combustion engine, warm air furnace), manufacturing	333999	500 Employees
4440	Desiccants, activated clay, manufacturing	327992	500 Employees
4520	Industrial and Commercial Fan and Blower Mfg	333412	500 Employees
4730	Fittings and Specialities; Hose, Pipe and Tube	332919	500 Employees
5305 5306	Bolts, metal, manufacturing	332722	500 Employees
5365	Shims, metal, manufacturing	332999	500 Employees
6220	Vehicular Lighting Equipment Manufacturing	336321	500 Employees
6240	Other Lighting Equipment Manufacturing	335129	500 Employees

ATTACHMENT A

ECONOMIC PRICE ADJUSTMENT (EPA) - DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS - CONSUMER PRICE INDEX (DSCP)

(a) The contractor warrants that the contract unit prices do not include allowances for any portion of the contingency covered by this clause.

(b) Consumer Price Indexes (CPIs) are published by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI for the Category "CPI-U, US City Average, All Items, Not Seasonally Adjusted" will be the economic indicator used for calculating the Proposed New Unit Price for any Option Period to be exercised by the Government. The CPI, as used in this clause, means the index, as published monthly, not seasonally adjusted, for all Urban Consumers (CPI-U), U.S. City Average. The index for a given month is available approximately two weeks into the following month.

(c) Price Adjustments Based Upon CPI Changes.

1. Price adjustments (increases and decreases) based upon changes in the CPI indexes are authorized once for each Option Period provided the Government elects to exercise that Option. Price increases must be requested by the Contractor. Any Request for a price increase must be submitted to the contracting officer at least thirty days prior to the expiration of the current contract period in order for a price increase to take effect at the same time the upcoming Option Period takes effect (all indexes used to calculate the base and adjusting indexes should be available by this time). The request must include the calculations used to compute the Proposed New Unit Price and a comparison of the appropriate benchmarks to the Proposed New Unit Price. Price decreases are mandated by this clause. The Contractor shall notify the Contracting Officer of any price decreases in accordance with the same timeframe and provide the same information as required for increases above.

2. Price Increases: If a request is not submitted within the required timeframe, increases will not take effect until 30 days after the request is received. If no request is received within 60 days after the New Option Period takes effect, the Contractor waives its right to a price increase for that Option Period. Price Decreases: If the Contractor fails to report any price decrease, the Contracting Officer will unilaterally establish a New Option Period Unit Price based upon the parameters for adjustment under this clause.

(d) Calculation of the UNIT PRICE for the Option Periods Based Upon Changes In The CPI.

1. A "Base" and "Adjusting" index shall be established for each Option Period. (see paragraph (e) below).

2. The Unit Price for the Contract Period about to expire will be increased or decreased based upon the percentage change from the Base Index to the applicable Adjusting Index using the formulas below.

First Option Period:

$$\text{Proposed New U/P for } \textit{First Option Period} = \frac{\text{Adjusting Index}}{\text{Base Index}} \times \text{Current Contract U/P for the } \textit{expiring Base Period}$$

Subsequent Option Periods:

$$\text{Proposed New U/P for } \textit{Upcoming Option Period} = \frac{\text{Adjusting Index}}{\text{Base Index}} \times \text{Current Contract U/P for the } \textit{expiring Option Period}$$

3. The Proposed New Unit Price will be used to price the upcoming Option Period provided it does not exceed the lowest of the applicable benchmarks. If it does exceed the lowest of the applicable benchmarks, however, the Contractor shall agree on a price reduction to an amount which is equal to or lower than the lowest of the applicable benchmarks. This reduced Unit Price will then be used to price the Upcoming Option Period.

(e) Determining the "Base" and "Adjusting" Indexes For Price Changes Based Upon the CPI. A Base and Adjusting Index shall be established for each Option Period.

1. For the first Option Period, the Base Index shall be the arithmetic average of the CPI indexes published for the month before and the actual month the award is made. The Adjusting Index shall be the arithmetic average of the CPI indexes published for the third and fourth month prior to the month the Base Period expires (e.g., if the Base Period expires in June, the Adjusting Index would be the average of the indexes published for February and March of the Base Period.)

2. For subsequent Option Periods, the Base Index for any Upcoming Option Period shall be the previously established Adjusting Index (e.g., the Base Index for the upcoming second Option Period shall be the Adjusting Index established for the first Option Period.) The Adjusting Index for any Upcoming Option Period shall be the arithmetic average of the CPI Indexes published for the third and fourth months prior to the month the current option period expires (e.g., if the first Option Period expires in June, the Adjusting Index for the upcoming second Option Period would be the average of the indexes published for February and March of the first Option Period).

(f) Any Proposed New Unit Price calculated as a result of using the formula in (d) above shall not exceed the maximum ceiling Unit Price calculated by escalating the expiring contract period unit price by 10% (e.g., the ceiling for the first Option Period Unit Price will be based on the Base Period Unit Price escalated by 10%; the ceiling for the third Option Period Unit Price will be based on the second Option Period Unit Price escalated by 10%.) *(Applies to price increases only. There is no percentage limit on downward adjustments under this clause.);*

(g) All price increases or decreases under this clause shall be effected through the issuance of a modification. The modification shall indicate the New Unit Price and the effective date of that price, which, in most cases, should be on the same date the Option Period takes effect. All delivery orders issued after the effective date shall be priced using the New Unit Price. The modification shall also include the Adjusting Index.

(h) Payment on each delivery order under this contract shall be at the contract unit price in effect at the time the order is issued.

(i) In the event publication of any CPI Index used under this clause is discontinued or its method of calculation is altered substantially in that it fails to reflect market conditions, the Contracting Officer may modify the contract to specify use of an appropriate substitute index or alternate method for adjusting prices. The substitute index or alternate adjustment method will take effect on the date the original index begins to fail to reflect market conditions.

(j) Any pricing actions pursuant to paragraph (c) entitled "Changes" of FAR Clause 52.212-4 (including any revisions by addendum thereto) or any other provisions of the contract shall be priced as though there were no provisions for economic price adjustment.

(k) Voluntary Price Reductions (VPR):

1. A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the Contract Unit Prices that would be in effect at that time.

2. If any VPR is in effect when a price decrease is mandated under this clause, the VPR will remain in effect until it expires if it is lower than the price decrease. If the Contractor requests a price increase based upon an increase in the CPI indexes when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted Contract Unit Prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of clause)